

The Legislative Fiscal Division

Presents:

Profile of...
Montana Consumer Counsel

State of Montana



Agency Profile

This agency profile will discuss...

- structure and funding
- primary functions and
- historical expenditures

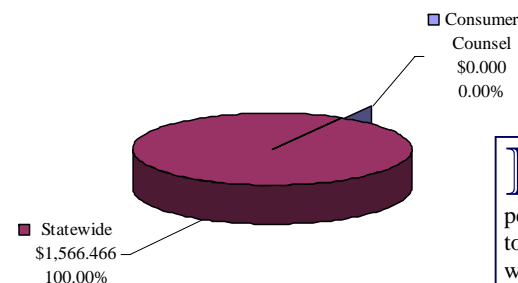
The profile also includes information on how decisionmakers can effect change in the agency's expenditures along with a listing of pertinent statistics. For an explanation of terms used in this profile, consult the "Background on the Agency Profiles" at: <http://leg.mt.gov/css/fiscal/default.asp>

Sept. 2006

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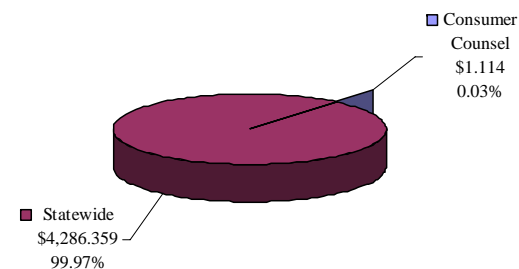


**General Fund Statewide Comparison
FY 2006 (In Millions)**



Let's begin by putting the agency's size in perspective by comparing it to state government as a whole.

**Total Funds Statewide Comparison
FY 2006 (In Millions)**



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Legislative Fiscal Division

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Primary Contact: Pat Gervais
Room 110A, State Capitol
Helena, MT 59620-1711

Section A
General Government & Transportation



What the Agency Does

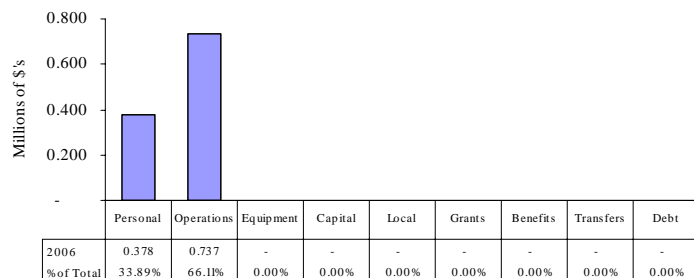
The Montana Consumer Counsel represents Montana's utility and transportation consuming public in hearings before the Public Service Commission and the state and federal courts and administrative agencies. The Montana Consumer Counsel is part of the legislative branch and is overseen by the Legislative Consumer Committee



How Services Are Provided

The Montana Consumer Counsel provides services through one program with 5.54 FTE and the use of outside consulting services to bring expertise for regulatory issues as they arise. Personal services comprise 33 percent of the agency's expenditures with operating expenditures including consultants making up the balance. The consumer counsel is funded with state special revenue from constitutionally earmarked tax levied on all regulated entities under the jurisdiction of the Public Service Commission.

**Consumer Counsel History
All Funds FY 2006**



Statewide Factors With Impact

In addition to the factors above, a number of factors common to many agencies will also impact changes in expenditures over time.

The Montana Consumer Counsel work is impacted by the caseload, with the bulk of the agency expenditures being for personnel and expert consultants. Factors that influence personnel costs include the state pay plan and benefits, workers' compensation, and unemployment insurance. Factors that drive the costs of consults are the level of expertise and experience needed, availability of, and level of compensation necessary to secure the services of a consultant. Consultant service costs may be impacted by the availability and market for such services within the region and nation.

Other factors that may impact the workload and costs of the Montana Consumer Counsel include:

- World, national and regional trends and events, including acts of nature that impact the availability and costs of energy and utility services within Montana



Statutory References

The primary statutory references defining duties and responsibilities of the department are found at the following locations.

Article XIII, Section 2 of the 1972 Montana Constitution, created the consumer Counsel, and Title 5, Chapter 15, and Title 69, Chapters 1 and 2, MCA, govern it.

How the Legislature Can Effect Change



In order to change expenditure levels and/or agency activity, the legislature must address one or more of the following basis elements that drive costs.

Activity for this agency varies depending upon activity of the regulated utilities throughout the state, and the degree and likelihood for the need of specialized experts.

In order to change expenditure levels and/or activity, the legislature might address the laws that:

- Impact the rates, reporting process, and fees or taxes charged to regulated utilities
- Govern which agency, if any, monitors regulated utilities
- Govern agency participation in regional and/or national issues

The legislature is less likely to control:

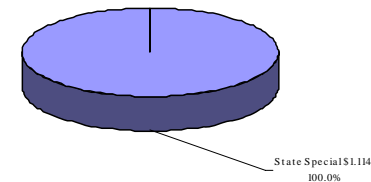
- The number of issues, complaints, and related court dockets
- Federal legislation impacting the utility industry throughout Montana
- Initiatives or legislation responding to citizen action



How Services Are Funded

The Consumer Counsel is funded by a constitutionally earmarked tax levied on all regulated entities under the jurisdiction of the Public Service Commission. The funding formula is found under 69-1-223 and 224, MCA. On or before August 31 of each year, the Department of Revenue determines the total gross operating revenue generated by all regulated activities within the state for the previous fiscal year. It then computes the percentage tax necessary to yield an amount equal to the current appropriation, with no excess funds. If excess occurs, it is deducted from the amount charged to the regulated utilities for the next year.

Consumer Counsel Funding History
All First Level FY 2006



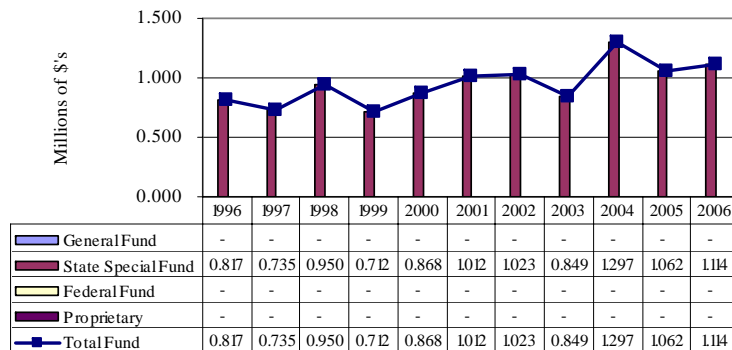
Related Data & Statistics

Element	1996	2004	Significance of Data
Case filings	N/A	N/A	Caseload difficult to measure since case filings vary in complexity

Expenditure History



Consumer Council Funding History



Reasons for Expenditure Growth/Change

The Montana Consumer Counsel is funded with state special revenue from a fee charged to all regulated entities within the state. This agency has experienced average growth in expenditures of slightly more than 3 percent per year. Agency expenditures may vary greatly from year to year due to the nature of the agency's caseload and case type.



Agency Functions, State Purposes, & Customers Served

The agency is structured to perform certain functions in support of general state government purposes. The following lists the major functions, purpose of provision of the functions, and primary customers served.



State Purposes	Major Agency Functions	Customers
<i>Consumer/Citizen Protection</i>	Analyze utility rate proceedings and intervene in rate hearings on behalf of the public	The utility and transportation consuming public

